VIET AMESE AFFAIRS STAFF Approved The Release 2004/12/02: CIA-RDR80R0 100000

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DATE: 15 August 1972

TO: The Director

FROM: GACarver, Jr.

SUBJECT:

REMARKS:

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results to you on a regular basis.

(one of my very able associates) gives me a brief note on Lao political atmospherics, succinctly compressing into a few paragraphs what has happened over the preceding seven days in the complex, hothouse world of Laotian politics. I find these weekly notes quite useful. Attached is the note of 15 August sent to you as a speciman sample. If you would find it helpful, we could relay memos to you on a regular basis.

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George A. Carver, Jr. Special Assistant for Vietnamese Affairs

Attachment

M A T I O N

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15 August 1972

MEMORANDUM FOR: Mr. George A. Carver, Jr.

SUBJECT: Lao Political Atmospherics (8-15 August 1972)

- 1. The fireworks over the removal of Finance Minister/ Delegue for National Defense Sisouk began again last Wednesday when Sisouk called Ambassador Godley to say that Souvanna Phouma had asked him to give up the Finance Ministry in favor of a Sananikone man. Sisouk decided to fight his removal, pinning his future on what he hoped would be his successful presentation of the budget before the National Assembly. As it turned out, however, the Assembly voted to put aside consideration of the budget until Souvanna addresses the group on the "state of the kingdom" and/or clarifies the legal status of his tri-partite government and his authority to change the membership of his cabinet. Since then, Souvanna has changed his mind again and will withdraw his request that Sisouk resign. Meanwhile, Sisouk was officially told, in the presence of General Kouprasith, that the U.S. Government will support him "1,000 percent."
- 2. There is nothing new on the peace talk front. Souvanna has been trying to get emissary Souk Vongsak to do his talking to Souvanna's delegue, Interior Minister Pheng Phongsavan, and Souk has finally agreed to refer the proposal to Souphanouvong. Souk has been conducting a public relations campaign around town (Vientiane) and has been making statements which contrast sharply with the hard line he takes with Souvanna.
- 3. The inadvertent destruction of the Sithandone Province Information Service Chief's house next door to the governor's home on Khong Island by a USAF C-130 gunship crew, who thought they were in Cambodia (no casualties), might not have been so bad had not a left-wing Buddhist-supported National Assembly deputy who recently defeated General Kuprasith's candidate for the seat been hiding out in the governor's house after being threatened by the local FAR unit commander. As luck would have it,

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Mr. Chart date or event)

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4. Refugee relief costs will be up 1.1 million in FY 74 largely because of two factors: Japan will not be providing the rice they were supposed to make available in FY 73 with the result that the rice will have to be purchased from the aid fund; and the price of rice has gone up since the budget was projected. Also, the mission has asked for the balance of the third quarter U.S. contribution (four million dollars) to be deposited in FEOF account to obviate the need for weekly begging, as well as to calm local banking and business circle nervousness over the daily uncertainty that funds will cover requirements.

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